GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3017
ANSWERED ON:07.08.2015
Policy on Sugar Export
Agrawal Shri Rajendra

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether any changes in policy relating to quota exports of sugar to the USA and European Union has been announced by Directorate General of Foreign Trade (DGFT) recently and if so, the details thereof and the reasons therefor;
b) whether the Ministry of Food and Public Distribution has been consulted in this regard and if so, the response received from Ministry of Food and Public distribution thereto;
c) whether the requisite quantity of sugar has been exported under quota during the sugar season, if so, the details thereof and the exporters who had undertaken exports;
d) whether the changed policy has resulted in any additional benefit to the sugar industry and if so, the details thereof;
e) whether the Government has put in place any mechanism to ensure that the gain of quota exports are utilized for benefit of the sugar industry and not monopolized by a few persons only and if so, the details thereof; and
f) whether the change in policy has resulted in control being exercised by importers in the USA to the disadvantage of exporters from India and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) Yes, Madam. The Government has amended its policy of export of Preferential Quota sugar to EU and USA under CXL and TRQ quota through Notification No.3 dated 20th April, 2015 by moving such export of sugar from 'STE' to 'Free'. Such decision was taken on account of liberalization of quota modalities at the EU end, need for liberalization of quota handling formalities at Indian end, to ensure optimal utilization of these quotas and to offer equal opportunities to all exporters.
(b) Yes, Madam. An Inter-Ministerial meeting under the chairmanship of Commerce Secretary with representatives from the Department of Food & Public Distribution and Director General of Foreign Trade was held on 7th November, 2014 and thereafter additional information like amount of income earned out of operation of the concessional quotas by M/s Indian Sugar Exim Corporation Ltd. (ISEC) and how it was specifically used for the benefits of the sugar industry, who are the past beneficiaries of this quota etc. was sought giving adequate time. However, even after lapse of several months the Department of Commerce did not get clear details on the important queries made by it.
(c) M/s Pure Diets India Ltd., M/s. Suminter India Organic, M/s Shree Renuka Sugars Ltd.etc. were the exporters who have exported sugar under quota during sugar season 2014-15. Till 21st July, 2015, 6101 MTs of sugar have been found exported to EU and 8071 MTs of sugar was exported to USA.

(d) & (e) The Government took a conscious decision in the interest of full utilization, transparency and need to liberalize trade regimes by changing the restriction condition from 'STE' to 'Free'. This was aimed to provide equal opportunity to all interested and eligible sugar industries/ exporters to participate in the country's concession sugar export quota.

(f) No such report have been received by the Department of Commerce.

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